

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

International Specialty Tube Corp

Michigan Manufacturing Technology Center

International Specialty Tube Proves Continuous Improvement is More Than a Pipe Dream

Client Profile:

International Specialty Tube (IST), located in Detroit, Michigan is an independent supplier of stainless steel tubing. Specializing in 300 and 400 series grade stainless steel tubing, IST serves automotive Tier 1 suppliers for Daimler Chrysler, GM, Ford, Honda, Mitsubishi, Nissan, Toyota, Subaru and other automotive manufacturers. The company employs 98 people.

Situation:

IST management decided to relocate to its current location on Detroit's east side. The company was anticipating some issues moving to the new facility while simultaneously adopting new manufacturing technologies. With the support of a Economic Development Job Training (EDJT) grant from the Michigan Economic Development Corporation (MEDC) and expertise from the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, IST management was able to schedule a series of training events to assist in tackling these issues.

Solution:

With a new state-of-the-art high-frequency tube mill on-line, MMTC worked with IST Lean champions to conduct a Single Minute Exchange of Die (SMED) Kaizen to reduce the 12-month average changeover time. Through this training, the IST team reduced average changeover by almost 50 percent and achieved \$300,000 in annual savings, reducing its inventory and increasing customer satisfaction. The technology itself also helps create a more balanced workload, allowing parallel changeover scripts. MMTC also worked with IST to streamline the schedule delivery process, allowing floor supervisors to pull from a live schedule with up to the minute inventory adjustments, and addressed recurring mixed or short shipments to one major customer, helping to eliminate errors within two months. Additional improvements have led to increased capacity, allowing some outsourced work to be returned to the U.S. Total Productive Maintenance (TPM) kaizen, conducted by MMTC, resulted in significant cost savings. The most recent project work has focused on new business and customer diversification. After improving its processes, freeing up capacity, and filling it with formerly outsourced work, IST wanted to diversify. With additional funding support from the Department of Labor and Economic Growth (DLEG), IST contacted MMTC's growth services group for assistance. IST assembled a cross-functional team to focus on the company website. In addition to updating the website and improving its search engine rankings, the group created an email marketing campaign to interest new customers in the automotive exhaust market. This has successfully brought in three new customers specific to the aftermarket business. Efforts continued to expand IST's appeal and broaden its customer base beyond automotive. IST assembled a mailing focusing on the Heating, Ventilating, and Air Conditioning (HVAC) Industry, and other potential high volume users of straight tubing. IST was recently awarded a contract with a large national corporation to use IST's tubing in the company's manufacturing of home and industrial furnace applications. Buoyed by its success, IST's team

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expanded its reach with a similar campaign to the agricultural and hydraulic tube markets.

Results:

- * Realized cost savings of \$100,000 per month due to outsourced work returned to the U.S.
- * Achieved savings of \$300,000 due to Total Productive Maintenance kaizen.
- * Reduced changeover time by 50 percent.
- * Reduced defects to zero.
- * Added 4 new customers.
- * Created new markets.

Testimonial:

"Through our work with MMTC and the positive impact we've realized, we feel like there are no limits to where we can take our business. At a time when manufacturers are struggling, we're proud of our accomplishments."

Robert Tobin, Lean Supervisor